



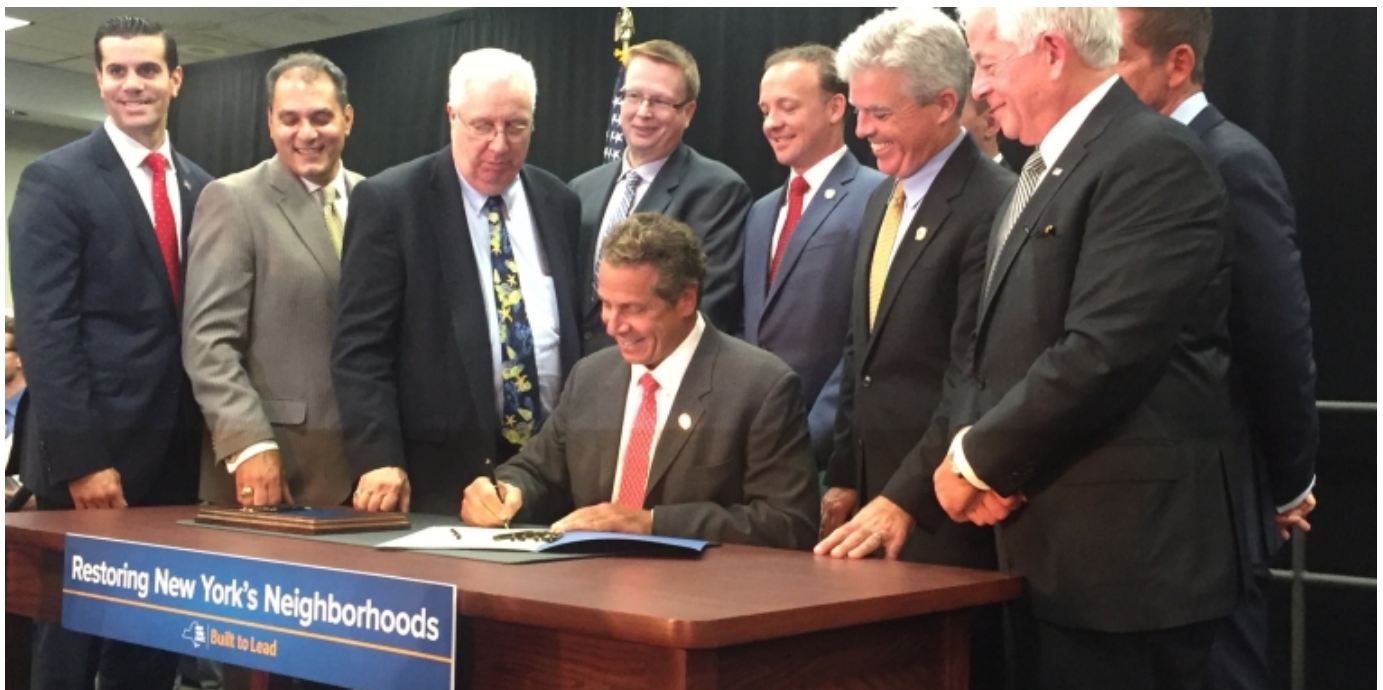
NEW YORK STATE SENATOR

Thomas D. Croci

Senator Croci Joins Governor Cuomo For Signing Of Zombie Home Legislation

THOMAS D. CROCI June 23, 2016

| ISSUE: **ZOMBIE HOMES, ZOMBIE PROPERTIES, FORECLOSURE, BANKS**



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PRESS RELEASE

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For Immediate Release

Hauppauge, NY – Senator Thomas Croci (R-C-I, Sayville) joins Governor Cuomo and others as the Governor signs into law critical zombie home and foreclosure prevention legislation.

The legislation was passed in the Senate and Assembly as part of the 2016 Legislative Session and aims to address the immense inventory of abandoned and vacant properties that cause blight in communities across New York State.

“Blighted zombie homes are a critical issue for communities I represent in the 3rd Senate District here on Long Island and other communities across New York State,” said Senator Croci. “It’s an issue I have wrestled with for years, going back to my service as Islip Town Supervisor. Adding additional tools to remove and prevent zombie homes in our neighborhoods will only aid to our quality of life. This legislation brings all the stakeholders into the process – local governments, the banks and the public – to identify and eliminate blighted homes and prevent foreclosed properties from becoming blighted in the first place.”

“For many New Yorkers, homes are our single most important investment, but that investment can be undermined by the blight of neglected and abandoned properties,”

Governor Cuomo said. "For each zombie home that we cure and for each that we prevent with this legislation, we are saving entire neighborhoods from the corrosive effect of blight and neglect. I thank my colleagues in the Assembly and Senate for seeing a crisis and helping to turn it into an opportunity for people to realize the great American Dream of homeownership."

Senate Majority Leader John J. Flanagan said: "Working together, we have passed a responsible measure to address the abandoned and decaying homes in many of our communities known as 'zombie properties. By doing so, we will reverse blight, protect property values and strengthen our economy for the future. I thank Governor Cuomo and our colleagues in the Legislature, especially Senator Jeff Klein, who as leader of the Independent Democratic Conference and our majority coalition partner, focused on this issue like a laser until we achieved a positive result for the people of New York."

Senate Independent Democratic Conference Leader Jeffrey Klein said: "Today is a victory for every community in New York State. From The Bronx to Buffalo, zombie properties impact every corner of our state resulting in blight and diminished property values for surrounding homeowners. I fought to make this law a reality and now banks will maintain abandoned properties stuck in the legal limbo of foreclosure. Broken windows, open doors and falling facades will no longer mar our communities, and if banks fail to comply, our law empowers the Department of Financial Services to take court action, issue violations and fines. I thank Governor Cuomo for signing this into law, and protecting communities throughout the state."

Specifics of the bill include:

1. Enhancement of the effectiveness of “Mandatory Settlement Conferences,” a law established in 2010 that is designed to slow foreclosure to give homeowners a better chance to fight foreclosure. This legislation will stipulate the rights and duties of the parties and clarify how the process should work in an effort to better protect homeowners contesting foreclosures to prevent them from losing their homes.
2. The establishment of a Consumer Bill of Rights to inform property owners of their rights in foreclosure proceedings to reduce early abandonment of the property.
3. The creation of the Community Restoration Fund (CRF), a new tool for the State of New York Mortgage Agency (SONYMA) to assist homeowners facing mortgage foreclosure. The CRF will purchase defaulted mortgages from other lenders and offer favorable mortgage modifications to keep homeowners in their residences. In addition, the CRF will offer a mechanism to expeditiously complete a foreclosure on vacant properties and will work with land banks, community development financial institutions, and other local nonprofits to rehabilitate and resell properties to new buyers.
4. A pre-foreclosure duty will be imposed on banks and services to maintain vacant and abandoned properties. Previously, a bank or mortgagee had the responsibility to maintain a vacant property only after a judgment of foreclosure and sale was obtained. Banks face a penalty of up to \$500 per violation, per property, per day for failing to maintain a vacant property.
5. Expedited foreclosure for vacant and abandoned properties by offering plaintiffs an option to make an application for an order to show cause upon notice seeking entry of judgment of foreclosure. This legislation would require a foreclosing party to move to auction within 90 days of obtaining a foreclosure judgment and require a foreclosing party to take action to ensure that the property is reoccupied within 180 days of taking title.

6. The establishment of an electronic registry of vacant and abandoned properties in order to promote communication between local governments and mortgagees responsible for the property maintenance.

In addition to this new package of legislation, the recently adopted state budget includes \$100 million to help new homebuyers purchase and renovate zombie properties. This funding, which is administered through the New York State Homes and Community Renewal Neighborhood Revitalization Program, is also available to support low and middle income homeowners with major repairs and renovations in order to rehabilitate, repair, and improve homes to further deter abandonment of a property.

The legislation takes effect immediately.

All media inquiries should be directed to Senator Croci's Communications Specialist, Christine Geed at (631) 398-8044 (call or text) or via email at geed@nysenate.gov. Inquiries for additional information should be directed to Senator Croci's Press Secretary, Jennifer Romero at (631) 513-5657 or via email at jromero@nysenate.gov

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RELATED LEGISLATION

2015-S8159

-
- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Makes amendments to certain provisions of the 2016--2017 state budget

June 17, 2016

Signed by Governor

Sponsored by John J. Flanagan

Do you support this bill?